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Minutes of the Agency Contract Review Board

20 August 1969

PRESENT:



1. [] opened the meeting at 1000 hours with the following two announcements:

a. The Office of Logistics is still considering an abbreviated course covering technical subjects. This course will be slanted toward Logistics officers but there are many difficulties to be encountered in developing this type of activity.

b. The DD/S&T representative is preparing a paper setting forth facts involved in the recent [] This paper will be the basis of the on-going, in-depth study of overruns in general.

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2. [] presented the Logistics briefing dealing with the role of the contract negotiator and in which the need for complete prior preparation was stressed.

3. The balance of the meeting was devoted to [] who briefed the Board on the current status of the [] program. It was pointed out that the current contract will represent the final effort under the developmental phase as, effective 1 January 1971, OSA will assume responsibility for the operational testing of the hardware. One point of interest was the complexity of the program. For example there have been 19 prime contracts with 4 major contractors. In addition, the prime contractor, [] has placed 27 subcontracts. Total funding through the development phase will be approximately [] of which about [] are to come from Fiscal Year 1970 and Fiscal Year 1971 funds. In the event these funds are not made available the total Government investment will not exceed [] the money already obligated. Included in the Fiscal Year 1970 projected funding are:

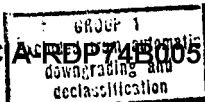
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a. [] for vehicle refurbishment.

b. [] for quick reaction requirements as yet not defined.

4. Following the [] briefing there were several questions which in turn developed the following information:

a. The target cost of the [] program does not include development of a payload for the vehicles. 25X1

b. Certain areas of the incentive fees are low, purposely, as the intended goals have already been achieved.

c. There may be an overrun as the overhead rate may rise due to the cancellation of the [] program. With the exception of the DD/I representative the Board agreed that this possibility should be brought to the attention of OPPB by the Board. The DD/I representative was of the opinion that this should be handled by the DD/S&T. 25X1

d. Facilities to be used in OSA's follow-on testing phase are already in the possession of OSA.

e. OSA's interests have been carefully protected primarily through a requirement for a complete set of manufacturing drawings.

f. Even though [] a subcontract to [] [] is on an Agency advisory board, no conflict of interest exists. 25X1

g. The action necessary to transfer security responsibility from ORD to OSA is already under way. The project security officer is now coordinating this last phase of the developmental program with OSA security officers.

5. As a result of the detailed insight into the contract arrangements and the technical activity cooperatively allied with this program, the Board recommended that the Director of Logistics issue commendatory messages to both the involved contract specialist, [] and the technical monitor, [] The meeting adjourned at 1200 hours. 25X1

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Chairman
Agency Contract Review Board

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